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ABSTRACT

The personnel function in industrial society has been marked by crisis, reappraisals, struggles for power, and guilty conscience. The profession is again under pressure; company management often questions its contribution to the solution of strategic personnel matters, while employees and their unions question its values, and wish to place its actions under the control of the employees. The description of the present situation must be based on tendencies toward change which have already had effect. Some of the tendencies which we may observe in action at present and which will influence personnel work in the future include: (1) movement toward a postindustrial society, with industry's principal branch being services and the basic conflict between the capital owner and the worker giving way to conflict between the professional and the layman; (2) movement toward a realignment of power, between the company and society and within companies, prompting considerable personal development on the part of employees and necessitating new company organization; (3) movement toward a more humane technology; and (4) movement toward a more open and more flexible company organization. Personnel officers must become realistic specialists in people, able to analyze values and processes of change in different situations. (Author/AJ)

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THE PERSONNEL FUNCTION TO-DAY - TRENDS FOR THE FUTURE

by Arne Cox, Managing Director

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Crisis - Reappraisal - Struggle for Power

The personnel function in industrial society has been marked by crisis, reappraisals, struggles for power and guilty conscience for their representatives. It is my aim to provide some explanations for this and to show that this disharmony is going to continue. I shall also try to show that in the future, companies are going to have an increased need for specialists in the personnel field, but that the power of the personnel specialists is going to decrease even more. The specialists' functional areas of responsibility are no longer going to be exclusively their own.

A company's method of dealing with personnel matters is mainly laid down by prevailing general conditions in society, the production and economic systems being the most important.

When we analyse how personnel matters are handled, we tend often to base our assumptions on industrial society as a natural prerequisite. We forget that the industrial period may with greater accuracy be described as an episode (covering approximately 100 years) in a country's, for example Sweden's history, and that we in the Western World and Japan are now heading towards a society of a different type. The short term perspective for Sweden is possibly made clear in picture 1.(encl. 1).

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Industrial Society

During the time before the industrial revolution and in the beginning of the industrial era there was a distinct patriarchal relationship between employer and employees. This

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relationship was supported by the State, legislation and the police in coalition with the Church and its system of norms. Indented labour was forced to have employment. As late as 1885, anyone who did not have employment was obliged to take forced labour. According to a law which was valid until 1926, employment was undertaken for one year at a time. It was strictly forbidden to leave one's position before the contracted date. Corporal punishment was a legal form of punishment for servants and labour until 1850.

After the epoch of handicrafts on a large scale, i.e. cottage industry, it became more and more common for industry to be concentrated to factories. Farmers-craftsmen moved in ever increasing numbers to the factory areas and became wage-earners.

The relationship between master and servant had in the previous structure of society been personal-patriarchal. Population mobility and the larger units of production meant that the personal ties disappeared. The employee sought new security in the different types of popular movements. From 1880 and onwards the religious sects, temperance societies, trade unions and the political branches of the labour movement enjoyed rapid development. Society suffered from so many problems due to these upheavals that social welfare was introduced and the first protective laws concerning industrial safety, working hours etc. were enforced.

After the turn of the century the large organisations for employees and employers were accepted and the right to join an association was made legal. After difficult conflicts and crisis in the nineteen thirties it may be said that society assumed contours which were more in keeping with the industrial era. The organisations had taken shape and even the propertyless worker now had the right to vote.

After the stagnation during the Second World War there followed, in the nineteen forties and fifties, a period of expansion and great mobility on the part of both companies and employees. Sweden strived for prosperity for all.

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Social Welfare and education policies contributed to the beginning of the tremendous expansion within the public sector.

In Sweden as in the other industrial countries the basic questioning of industry and its relationships to employees and society arose in the nineteen sixties. Prosperity, education and the rapid exchange of ideas between countries occasioned in Sweden as elsewhere confrontation, reappraisal and an intensified political review of what was happening in industry.

The nineteen seventies brings Swedish society and Swedish companies face to face with the new complex of problems which the transition to a post-industrial society involves. There are great new structural changes while at the same time there is an increase both in total employment and selective unemployment. A tax burden, which has no historical parallel, is not sufficient to employ those seeking work within the public sector. The question of power distribution and the environmental aspects of working life have taken up a prominent position in political debate.

The Individual in Industrial Work

One researcher who has analysed the way in which the relationship of the individual worker to his work has changed due to industrialism and mechanisation, is Dr. Magnus Hedberg. Briefly, one may differentiate the following stages when there is increasing mechanisation and when industrial production methods are put into practise. Picture 2. (Encl. 2).

This mechanisation process combined with the accompanying impoverishment of the work has, naturally enough, resulted in strong individual, trade union and political reactions. These reactions have aimed at returning to the individual at work the possibilities of self determination and of collec-

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tively making decisions concerning the environment.

The Personnel Function in Industrial Society

The duties to which personnel officers have gradually devoted themselves are shown in picture 3 (encl. 3).

One of the first personnel officers to be employed (1915) within Swedish Industry was a factory nurse, who in the first instance had the task of the prevention of illness. At a later date financial guidance clerks were appointed to look after employees' housing and financial matters. There were humanitarian and social motives behind these appointments.

The increasing amount of work concerning wages, partly because of the increasing number of agreements, resulted in the formation of separate departments for wage and salary administration. Many personnel departments came into being because of the need for a separate section for wage computations and general wage administration.

The expansion of trade and industry after the Second World War brought about acute competition among companies for labour. The methods of competition became "popular" measures, such as economic contributions of varying kinds and leisure activities. More attention was paid to personnel matters and companies appointed special staff to deal with personnel duties. From the middle of the nineteen forties until the middle of the nineteen fifties it became more and more common that matters of recruitment and selection as well as the introduction of new employees were attached to the wages department, which thereby began to develop into personnel departments in the modern sense.

During the nineteen fifties the need for well-educated personnel increased. Society could not completely satisfy that demand, so companies established vocational schools - privately or in co-operation with local government.

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Supervisory education which had been started back in the nineteen thirties was intensified; it was no longer only foremen, but also office managers who "went on a course". Companies appointed training managers to an increasing extent.

The ever increasing pace of change during the nineteen sixties has placed added demands on planning. In larger companies at any rate personnel planning has become the duty of special officers.

The development of society during recent years as well as within working life including rapid structural changes and increased rationalisation has contributed to the fact that the question of industrial democracy has come to the fore. Several companies are testing new forms of co-operation between management and the other employees.

It may be said that these facts from Sweden get partial conformation from Professor Rubenowitz' European Study in 1967. Picture 4 shows what the European officers considered themselves to know as well as what they considered to be problematic (encl. 4).

Personnel officers, factory nurses and personnel consultants began their work outside the factory gates, but were finally allowed inside the company. In the situation as it is today, personnel officers are usually accepted as part of the company's administration. Important questions concerning job design, job environment and work organisation as well as questions concerning wages are, however, usually dealt with by managers, production technicians and other officers.

In large companies the personnel function is to a large extent, apart from managers, handled by specialists. They have a tendency to regard their contribution to personnel matters as isolated from both the company and society in a wider perspective. Picture 5 shows some examples of the

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different personnel specialists (encl. 5). There has been a great deal of debate about their power, their competence and their incomprehensible jargon as well as about their basic values. The profession is at present again under pressure; company management often questions their contribution to the solutions of strategic personnel matters, while at the same time the employees and their unions question their values and wish to place their actions under the control of the employees.

Development Tendencies

As I have tried to exemplify, the description of the present situation must with necessity be based upon tendencies towards changes which have already had effect. I shall now try to describe some of the tendencies which we may observe in action at present and which will influence personnel work in the future.

1. Towards a Post-Industrial Society

In the same way as the population over the past hundred years left agriculture and yet still obtained food-stuffs, over the next 50 to 100 years they will leave industry and still obtain industrial goods. Rapidly increasing technical-economic changes have entered into new areas. National and international structural changes in trade and industry demand rapid adjustment by companies to the new and disparate circumstances in the environment. Active contributions from governments are absolutely necessary in order to facilitate this gigantic re-shaping. We are going to see more and more examples not only of active labour market policy, but also of active trade and industrial policy.

The principal branch of industry will be that of Services; transport and travel, distribution, luxury and leisure, health and education. National, regional and local government administration will give more and more people employment.

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Information, knowledge and human relationships will gradually attract greater interest than before. Flexibility will be stressed as a value more than doing things according to plan.

High taxation policy, state capitalism, public production and consumption will become more common. This is going to mean innovations in the field of taxation. Industry is almost certainly going to have to bear a greater taxation burden.

Standard of living defined in terms of goods will cease to motivate people. They are instead going to increasingly seek after the quality of life in the form of services and sensual pleasures such as health, education, leisure, art and nature.

The basic conflict between the capital owner and the worker is going to be more and more replaced by the conflict between the professional and the layman. This conflict is already clearly noticeable in many companies as well as in politics and the trade union organisations.

In picture 6 I have tried to capture some of the central changes which are on the way concerning the relationships between management and employees in companies (encl. 6).

Picture 7 explains how I assume that the personnel function will also have to change emphasis (encl. 7).

2. Towards a Realignment of Power

The new problems of the post-industrial society combined with the negative aspects of the industrial society are at present working together to bring forward a deliberate change in the power relationship between company and society. This tendency is to be seen both in the highly developed industrial nations as well as in countries still undergoing industrial development.

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Another deliberate tendency towards change in the industrialised world concerns the distribution of power within companies. The rights of employees to make their own decisions as regards themselves and their work and to play an active part in decision making as regards their company is supported by an increasing number of collective agreements and laws. The rights of the owners to make decisions concerning their company have gradually been restricted. We in Sweden are now in the middle of a reform period of legislative change in the labour market which appears to give the employee, or at least his trade union, the legal right to negotiate on equal terms not only with respect to the economic conditions of employment, but also the organisation and environment of the job as well as supervision, employment, dismissal and other aspects of personnel policy.

This extended area of negotiation exposes both sets of negotiators to completely new types of problems. It requires the use of other areas of knowledge, new patterns of co-operation, new units of measurement and new time perspectives. The extended area of negotiation also necessitates that company management and personnel departments have a well developed ability to identify and meet the needs of the employees.

This changing situation with respect to power and responsibility will of course prompt a considerable personal development on the part of the employees. This is not going to take place without stress. The trade unions and their officials will of course also be faced with adjustment problems.

By means of these reforms industrial democracy extends beyond the ambition to improve co-operation within the existing organisations or by means of an additional organisation of committees and boards. The current reforms necessitate a <u>new</u> company organisation. The consequences for personnel work are radical. The main goals are changed,

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the working methods are changed, the distribution of roles is changed and the pattern of co-operation is changed. The decisive change of emphasis will take place in the direction shown in picture 8 (encl. 8).

By joint I mean the participation of experts on different matters or functions, including selected groups from the ranks of the employees, whose numbers should increase steadily. My cristal ball does not show precisely at which point the development of industrial democracy is going to stop on the way from

1) the employees' obedience to the patriarch

2) their manipulated acceptance according to the Human Relations model

3) their position of equality according to the model described here and

4) to worker control based on the Jugoslavian model.

However, in the case of worker control it is usual for the workers to choose professional leaders, and in the case of state capitalism the government usually makes sure that the ownership function does not disappear entirely.

3. Towards a More Humane Technology

A technically and economically oriented personnel administration system puts the greatest emphasis on adjusting people to the technical production structure and on negotiations about economic conditions. A humanely oriented personnel administration system puts instead the greatest emphasis on adjusting the environment to the people and on developing relationships among people.

The level of prosperity and the educational standard of the industrial countries is the platform from which the employees

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and their unions, supported by the politicians, demand "quality" in that part of their life which is taken up by work.

It has also been shown that companies with great personnel problems have not been able to solve them by strengthening the activities of the traditional personnel functions. We may observe more and more companies, as for example Volvo, which have been forced into a personnel policy which is in fact a policy concerning job design and the working environment. Picture 9 (encl. 9).

This turning point in personnel policy also involves a turning point in production technology and rationalization and sometimes also a turning point in wage policy. We meet here one of the struggles for power of which the history of the personnel function is full. Is it to be the technical experts or the behavioural scientists who are to steer developments? Let them supplement each other or let the most proficient win! The employees' organisations will presumably make sure that that will be the case.

In the short term the environment requires humanising measures such as ergonomics, job enlargement, job enrichment, sociotechnology etc. These types of measures are related to the type of cultural change in the company which is known as organisational development (OD).

In the long term a humanely oriented personnel policy requires a new direction with respect to research and development as well as of the projecting of new plants and production equipment. The pattern of co-operation and the economic prerequisites for a conscious development of production and its environment in a humane direction are slowly being created.

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4. Towards a More Open and More Flexible Company Organisation

The external pressure on structural adjustment combined with better methods for information processing and new insight as to the function of the company and its interaction with its surroundings have led to the fact that certain organisational and administrative viewpoints have received increased emphasis. Changes in organisational ideas include the following trends. Picture 10 (encl. 10).

In a society of structural change it becomes particularly important to solve problems of individual security. They can only be solved by means of the prerequisite of profitability and organisational change. These circumstances re-enforce the demand for organic and successive adjustment of the organisation as opposed to surgical and drastic adjustment.

Concluding Remarks

I have limited my attempt to generally identify the tendencies towards change to the above four. They bring to my mind a vision of a personnel function which needs specialists in people in close interaction with other specialists, the employees and various representatives of society. The personnel function will be greately concerned with staff reductions in relation to output and with personnel development.

The intensive work on job design and work environment will be dealt with by technical experts with a new behavioural knowledge. The possibilities for personnel officers to become and to remain an accepted and useful profession does not lie in becoming as economical as the economists or as technical as the technicians, but in becoming realistic specialists in people with a grasp of how one analyses values and processes of change in different situations.

As an approach to a practical conclusion I shall present

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a framework which can be used to analyse in a practical manner the demands of the situation and the possibilities of development of a company's personnel function. We do not jump into the future, we advance step by step. It is not, however, wise to stand still: "Qui n,avance pas, recule!" Picture 11 (encl. 11).

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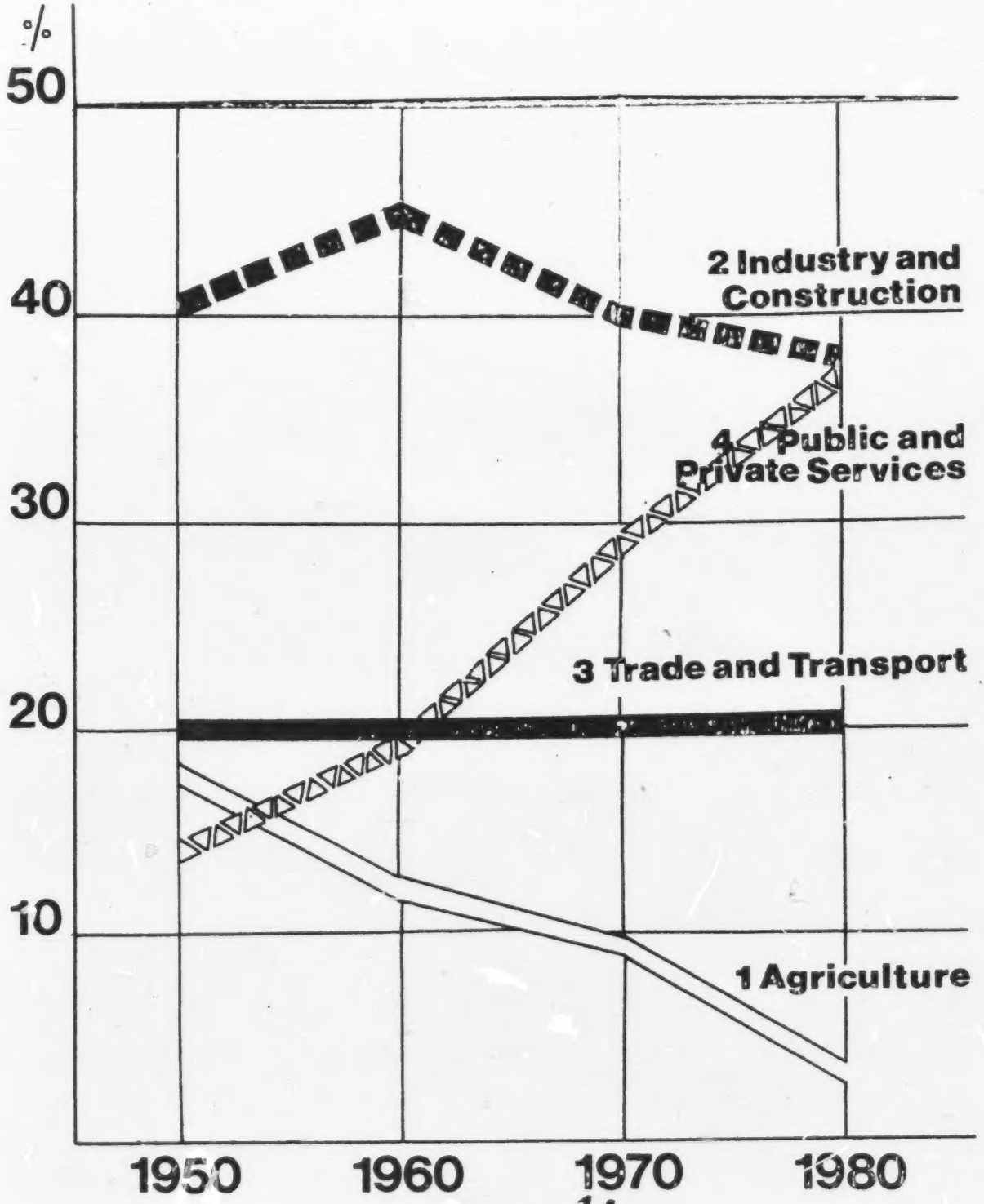
DISTRIBUTION OF THE LABOUR FORCE BY BRANCH, 1950 - 1980



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THE PRODUCTION PROCESS AND THE ROLE OF THE INDIVIDUAL

MANUFACTURING:	The individual dominates
GRADUAL PROCESSING OF THE SAME MATERIAL:	Influence over product design is decreased
SOURCES OF ENERGY OTHER THAN THE WORKER'S PHYSICAL STRENGTH:	Reduction of demands on physical strength
MACHINES AND TOOLS COMMON TO SEVERAL WORKERS:	The individuals are co-ordinated around the machines and individual tools decrease in importance
WORKING METHODS DETERMINED BY MACHINES AND TOOLS:	Influence over the working methods is restricted
AN INCREASING NUMBER OF TOOLS ARE INCORPORATED IN THE MACHINES:	The machines determine the rate of work. The skilled worker becomes unskilled, an operator, a physiological machine
TECHNICAL SUPERVISION AND PLANNING IS INTRODUCED:	Decisions concerning material, tools, machines, distribution of work, working methods and work rate are made by people other than the workers themselves

Source: Magnus Hedberg

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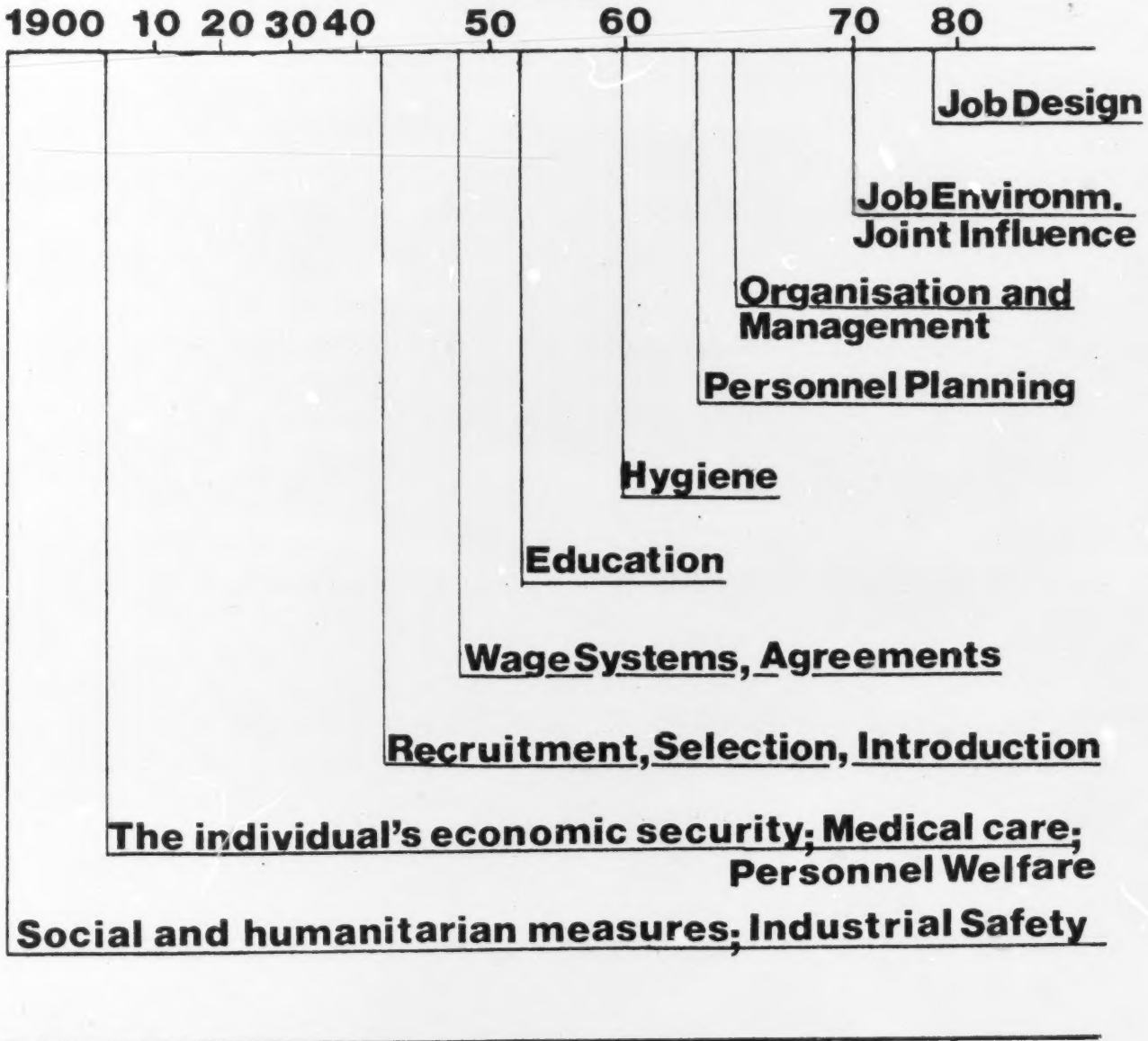
THE PERSONNEL OFFICERS' PRINCIPAL DUTIES



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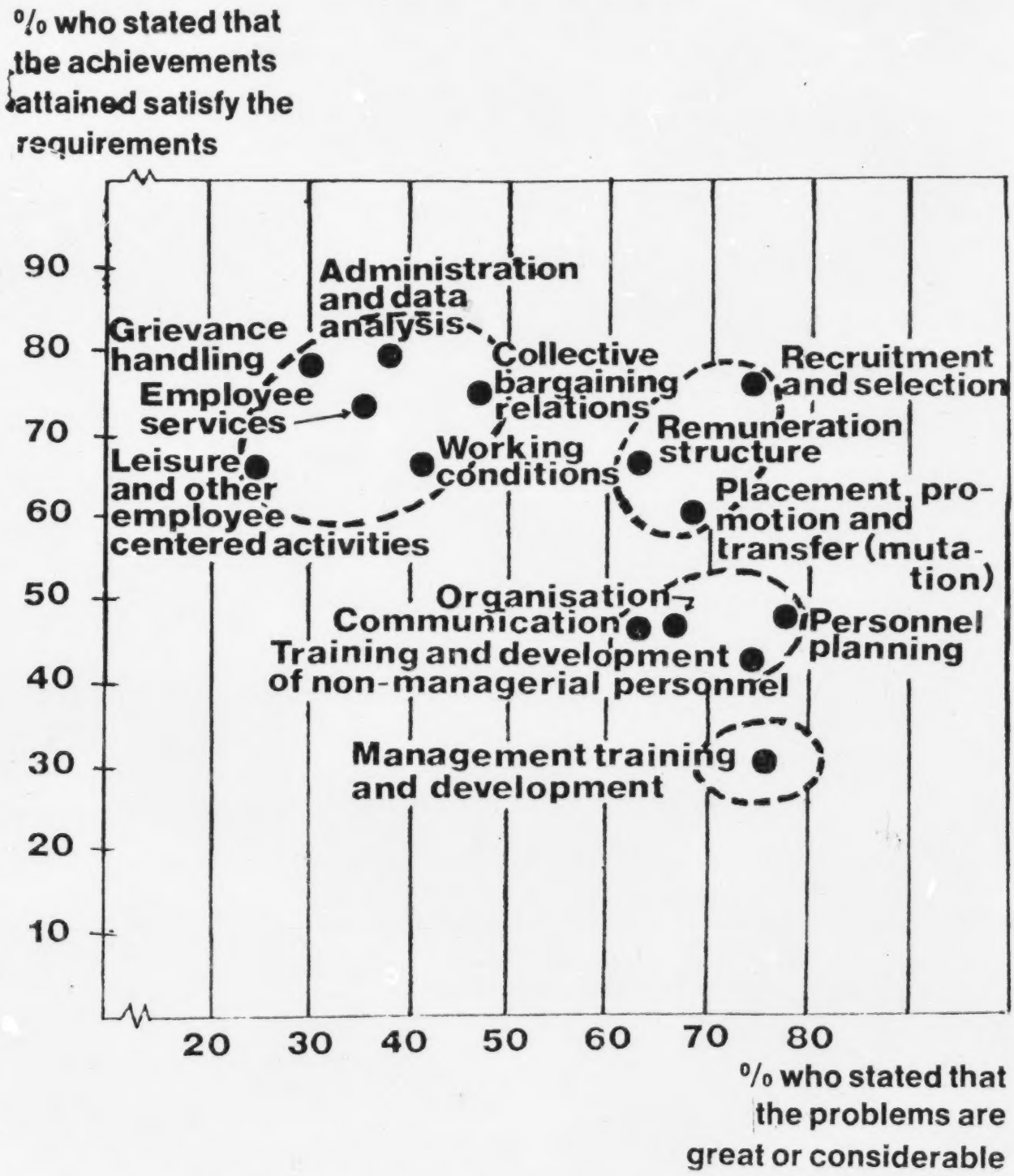
PROBLEMS OF A PERSONNEL ADM. NATURE IN RELATION TO WHAT THE COMPANIES CONSIDERED TO HAVE ACHIEVED



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SPECIALISTS

Labour legislation specialists and negotiators for blue collar and white collar workers

Pension and benefit specialists

Recruitment officers for blue and white collar employees

Training instructors for supervisory training

Management development specialists for top management

Vocational training specialists

Specialists in social psychological training

Selection testers

Work study people with different method specialities in production and administration

Organisation specialists

Industrial safety technologists

(more)

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SPECIALISTS (cont.)

Industrial doctors and medical care specialists

Human engineering specialists

Socio-technical specialists

Personnel planners

Wage clerks

Staff records clerks

Timekeepers

Information specialists

Personnel consultants

Personnel curators

Industrial Sociologists

Industrial democracy experts

Joint consultation officers

Works councils specialists

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CHANGE IN THE RELATIONSHIP BETWEEN MANAGEMENT – EMPLOYEES

	Power Resources	Norm System	Organisation Model	Leadership Model
Pre-industrial	Physical Force	Uniform	Line Organisation	Patriarchal
Industrial	Pecuniary	Pluralistic	Line-Staff Organisation Specialisation	Initiating Structure
Post-industrial	Information	Changeable	Group Organisation Ad Hoc-cracy	Indirect by means of communication about values and goals

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SHIFT OF EMPHASIS WITHIN THE PERSONNEL FUNCTION

Pre industrial	▪ Patriarchalism
Industrial	▪ Social Work ▪ Personnel Services
Post industrial	▪ Knowledge and Information
	▪ Environment and Relationship Administration

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- Methods of joint diagnosis
- Methods of joint value and goal analysis, joint establishment of priorities
- Joint determination and application of effective change strategies
- Joint follow up methods

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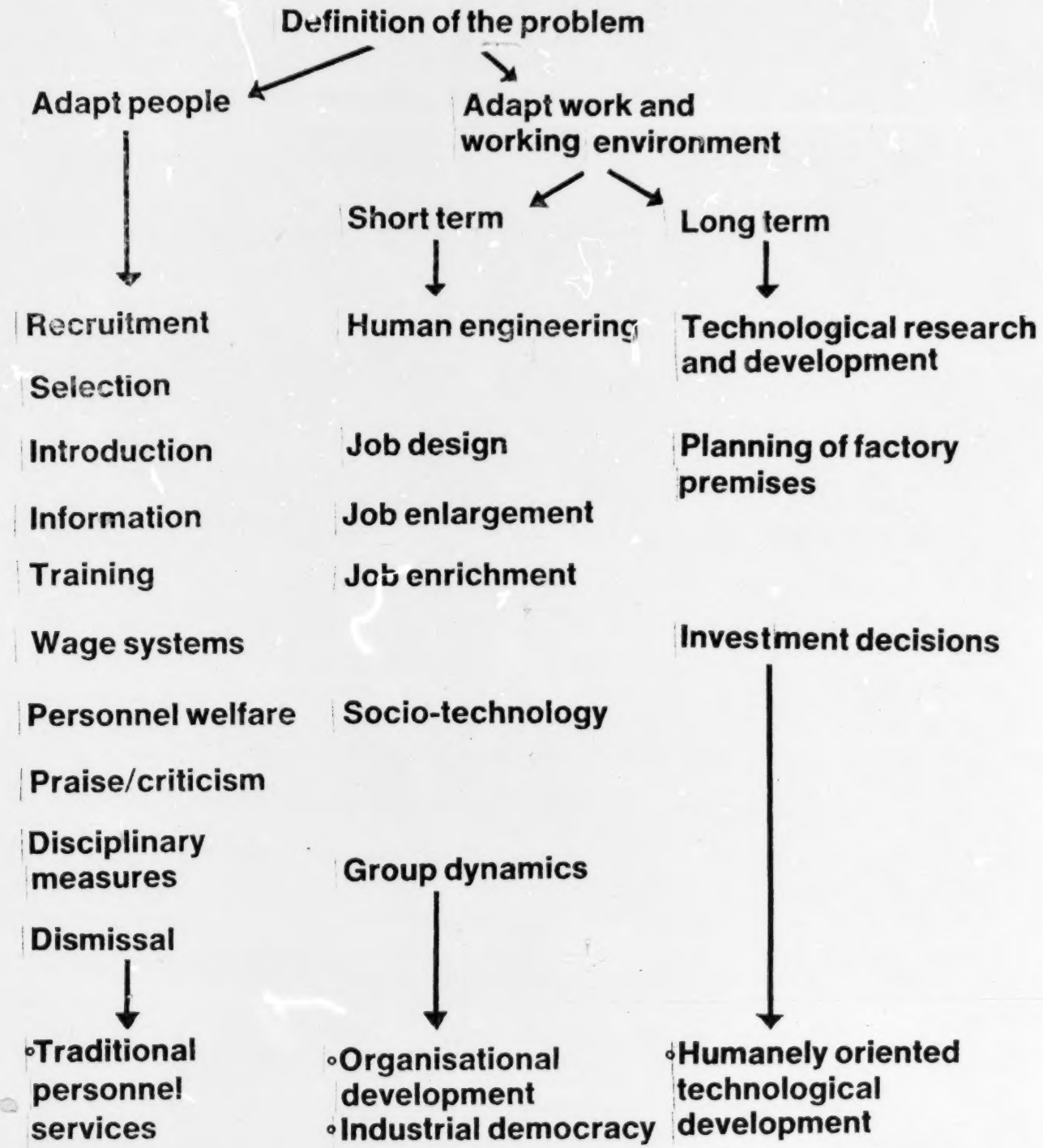
THE OBJECTS OF PERSONNEL ADMINISTRATION



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CURRENT ORGANISATIONAL AND ADMINISTRATIVE TRENDS

- Futurology, strategic planning, management by objectives
- Organic, flexible, dynamic, rapidly mobilised organisation models
- Decentralised and more democratic organisation which spreads the tasks of observing, understanding, learning, innovating, deciding and controlling
- Better reception and processing of information and better bases for decisions
- Organisation and change based on individuals and groups in the company, individual development, creativity, organisational development (OD)
- Functional leadership, power where knowledge and information are best represented
- Project organisation, matrix organisation for the utilisation of knowledge and information and for flexibility

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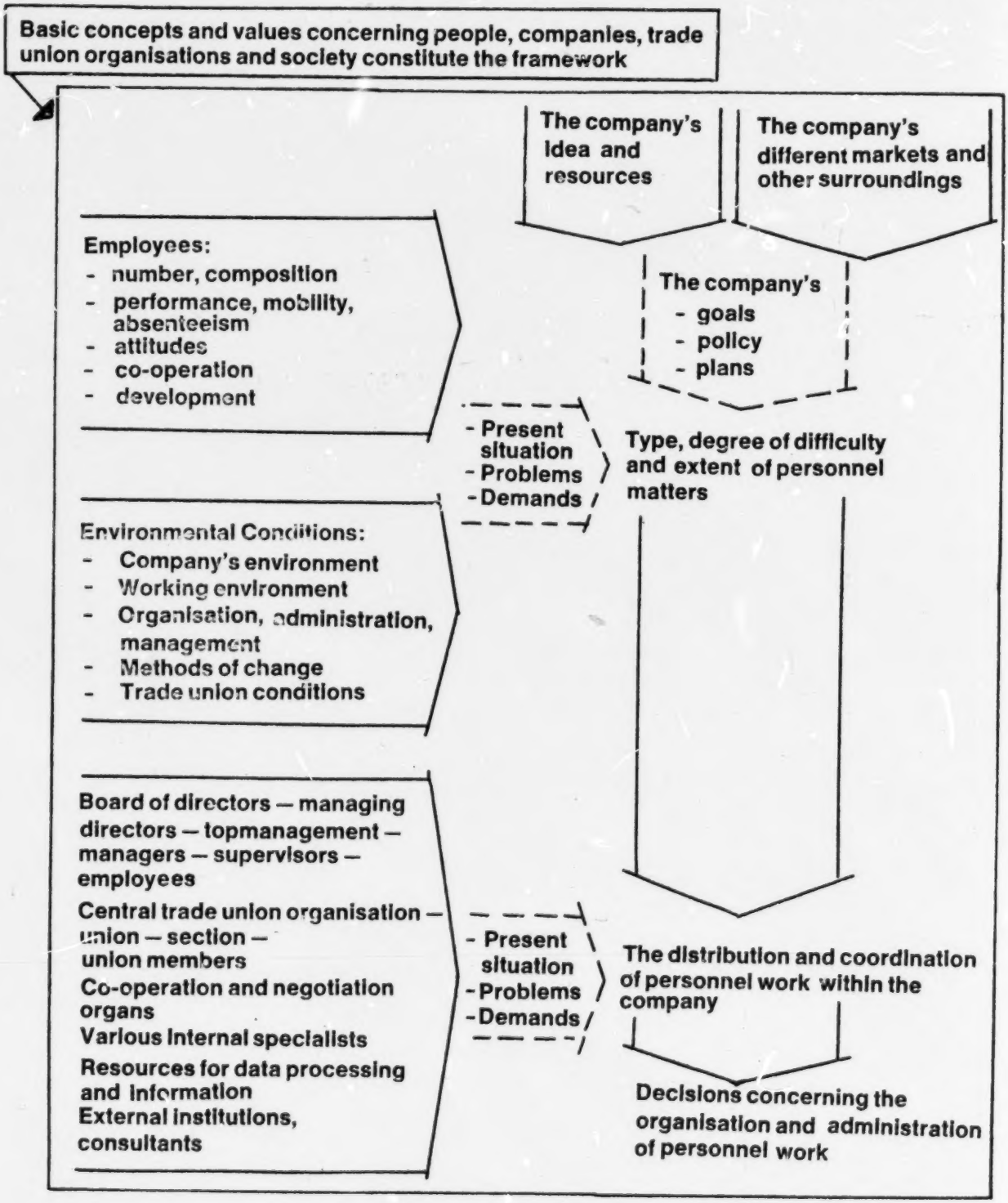
THE ORGANISATION OF THE PERSONNEL FUNCTION. A Framework of Investigation


Basic concepts and values concerning people, companies, trade union organisations and society constitute the framework
The company's idea and resources
The company's different markets and other surroundings
The company's
- goals
- policy
- plans
Employees:
- number, composition
- performance, mobility, absenteeism
- attitudes
- co-operation
- development
- Present situation
- Problems
- Demands
Type, degree of difficulty and extent of personnel matters
Environmental Conditions:
- Company's environment
- Working environment
- Organisation, administration, management
- Methods of change
- Trade union conditions
Board of directors — managing directors — topmanagement — managers — supervisors — employees
Central trade union organisation — union — section — union members
Co-operation and negotiation organs
Various internal specialists
Resources for data processing and information
External institutions, consultants
- Present situation
- Problems
- Demands
The distribution and coordination of personnel work within the company
Decisions concerning the organisation and administration of personnel work